Regulation, 2000 prescribes the pattern of investment to be followed by the insurance companies. As per the existing provisions, not less than 15% of controlled fund in the case of registered life insurance companies and 10% of total assets in the case of registered general insurance companies are to be invested in infrastructure and social sectors.

(d) Do not arise in view of the reply above.

Banks' Proposal for Bond Buyback Scheme

2930. SHRIMATI SHABANA AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether the Ministry of Finance has rejected a proposal to allow banks greater flexibility in using the income received from the bond buyback scheme announced in this year's budget;

(b) if so, the main reasons for the rejection;

(c) whether any compromise has been considered; and

(d) if so, the other alternatives being suggested by the Ministry to consider banks' proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) Government of India have not imposed any restriction on the utilisation of income received from the bond buyback scheme. Infact, an additional deduction has been allowed under the Income-tax Act, 1961 on premium received under the scheme to the extent that such premium is used for provisioning for their non-performing assets.

Fall in Public Savings

2931. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that from a level of 2.5 per cent in 1990s, rate of public savings has fallen to around a negative 2.5 per cent in 2002-2003, thereby bringing Government investment on infrastructure to 4.5 per cent of GDP from earlier 5 per cent;

(b) if so, whether Government are thinking of drastic reduction in subsidies and also adopting other measures; and